

# Michigan Uniform Energy Code Myths and Realities

February 22, 2005



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**Myth:** The MAHB claims that the new energy code will add \$6,000 to the cost of new homes in Michigan.

**Reality:** A Department of Energy study shows that the *actual costs* will be between **\$1,000 and \$1700 per home**. The new energy code will save new homeowners \$374 per year.

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**Myth:** The MAHB claims the payback period for the new energy code is 22 years.

**Reality:** With maximum costs of \$1700 to meet the code and savings of \$374 per year, the *payback period is less than five years*. The Stille-DeRossett-Hale Single State Construction Code Act requires a maximum payback period of seven years.

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**Myth:** The MAHB claims the new energy code illegally substitutes Chapter 11 of the International Residential Code (IRC) and the International Energy Conservation Code (IECC) for the Michigan Uniform Energy Code.

**Reality:** The new Michigan Uniform Energy Code borrows some aspects from the IRC and allows use of the IECC to show compliance, but also includes Michigan-specific considerations including removal of the window to wall ratio, use of Michigan-specific climate zones, and a total of 3 performance-based compliance paths that are not included in the international code. It does not substitute a national code for the MUEC.

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**Myth:** The MAHB claims the State of Michigan abandoned a previous version of the MUEC developed by consensus among an Ad Hoc Committee at the whim of the Granholm Administration and adopted the current energy code without public input or support.

**Reality:** A 2003 Ad Hoc Committee did develop an energy code recommendation that was reviewed at a December 2003 public hearing. Testimony gathered at this public hearing overwhelmingly supported adoption of a more efficient energy code than the one developed by the Ad Hoc Committee and called on the state to adopt the IRC/IECC. In response, the Department of Labor and Economic Growth (DLEG) revised the proposal to its current form and held a second public hearing in June 2004. Public support for this version of the code was strong

and only two people spoke against the code while 18 spoke in favor of its adoption and many more supporters submitted written testimony. The legislature also had oversight in the process with the final rules being reviewed and approved by the Joint Committee on Administrative Rules.

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**Myth:** The new energy code will force homebuilders to move from 2" x 4" wall construction to 2" x 6" wall construction and require complete redesign of homes, thus increasing costs.

**Reality:** A homebuilder could use 2" x 6" construction to meet the new code, but it is not required. In fact, there are numerous options for compliance with 2" x 4" wall construction.

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**Myth:** The new energy code will increase the cost of all housing in Michigan and price 64,000 households out of the market for entry-level homes.

**Reality:** Increasing the cost of a home by \$1700 does not price anyone out of the market. Over the life of a 30-year loan, this adds \$10 to \$16 to the monthly mortgage payment and since homeowners are saving an average of \$32 per month on energy, they have a net-positive income. Energy efficient mortgages are also available in Michigan which allows a homebuyer to stretch their debt to income ratio to afford energy efficiency upgrades.

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**Myth:** Michigan will lose 8,000 construction jobs in Michigan due to fewer new homes being built as a result of the energy code.

**Reality:** Michigan will not lose any construction jobs as a result of the new energy code. National data from the US Census shows that the residential construction activity in any of the 50 states generally rises and falls together, regardless of energy code adoption or stringency in a given state. Neighboring states Wisconsin and Minnesota have adopted model energy codes and have not suffered any economic disasters; in fact, housing starts increased in the year after energy code adoption.

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